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SYSTEM OF CONSULTATIONS

Measures to enhance the System of Consultations

Report by the Director-General

Summary

In compliance with Board decision IDB.8/Dec.33 and General Conference resolution GC.4/Res.16, paragraph (d), reports on the implementation and assesses the impact of the recommendations of the evaluation of the System of Consultations; also provides preliminary information on the possibility of combining Consultations with investment promotion meetings and increasing participation of industrial partners in Consultations.

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Introduction

1. The evaluation of the System of Consultations took place from October 1988 to May 1989 and its findings and recommendations were presented in document ODG.8(SPEC.). The comments by the Director-General and views of Member States on the conclusions and recommendations of the evaluation are contained in document GC.3/20. The General Conference at its third session took note of the recommendations and the proposed plan of implementation in its resolution GC.3/Res.2.

2. The Industrial Development Board at its eighth session in decision IDB.8/Dec.33 (para. (g)) requested the Director-General to improve the actions called for in General Conference resolution GC.3/Res.2 on the evaluation of the System of Consultations and requested him to report on the progress made in the implementation of those actions. The Director-General was also requested to examine the possibility of combining the activities of Consultations and investment promotion as well as the modalities of increasing the participation of industrial partners in Consultations.

3. Subsequently, the General Conference in resolution GC.4/Res.16, paragraph 1(d), requested the Director-General to assess the implementation and impact of the recommendations of the evaluation of the System of Consultations and to report on those assessments to the General Conference at its fifth session through the Board at its ninth session.

I. ACTIONS TAKEN TO IMPLEMENT THE RECOMMENDATIONS OF THE EVALUATION OF THE SYSTEM OF CONSULTATIONS

4. The recommendations of the evaluation of the System of Consultations centred on three key points: (a) the System of Consultations is eminently suited to providing a major contribution to the development and formulation of UNIDO's policies and programmes in specific subsectors and common topics; (b) the System should become better integrated in the main activities of UNIDO, by

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establishing closer cooperation with other in-house units; and (c) the follow-up to the results of Consultations should be pursued in a more systematic manner.

5. The integration of the System of Consultations with the other programmes and activities of the Secretariat has made considerable progress through the establishment of the Advisory Committees representing a cross-section of the Secretariat as well as through the formulation of an elaborated plan of action for implementing the recommendations of the Consultations and assigning the responsibilities to designated bodies. During the period 1991 to 1992, Advisory Committees for the Consultations on fisheries, capital goods, wood and wood products, industrial rehabilitation/restructuring, building materials and petrochemicals contributed towards the respective preparatory activities. Members of the Committees also participated at these Consultations.

6. In addition, the System of Consultations has established close contacts and interactions with various Divisions of the Secretariat, in particular with the Area Programmes, Investment Promotion, Industrial Technology Promotion and relevant Divisions of the Industrial Operations Department for the preparation and follow-up of the Consultations. Those Divisions play an active role at the Consultation meetings.

7. The only sector with an established panel of experts is the leather industry, and the panel has been an important factor in the development of an integrated technical cooperation programme in that sector. The establishment of similar panels has been proposed for other sectors such as the sugar industry, food production and agro-chemicals as well as non-ferrous metals; however, their implementation has been delayed due to lack of financial resources for that purpose. The establishment of these panels remains a high priority in the work programme of the System of Consultations in anticipation of the provision of the necessary funding.

8. As a result of financial constraints and in line with the recommendations of the evaluation, the number of formal preparatory meetings has been scaled down. The preparatory activities have thus relied more on in-house cooperation including inputs from the Advisory Committees.

9. As mentioned in the findings of the evaluation report, the System of Consultations does not regard the Consultation meeting as an end in itself but as a continuing process leading to the development of sectoral strategies and policies and to agreement on concrete programmes of action. To that end there is a growing orientation towards subregional and subsectoral action to enable a more focused treatment of specific industrial problems. As a result, a closer interaction has been achieved between the main thrust of UNIDO activities in specific industrial sectors and those targeted by the System of Consultations.

10. Closer cooperation with the three substantive Departments is also demonstrated in the new multi-purpose approach of the Consultation meetings which are already used as forums for the Departments of UNIDO to present the activities undertaken by the Organization in the respective industrial sectors. It has been demonstrated that the System of Consultations is an excellent feeder for programme development, particularly in the case of economic cooperation among developing countries and the Industrial Development Decade for Africa as illustrated in the activities of the Leather and Leather Products Industry Panel.

11. As recommended by the evaluation, in the conduct of the meetings, a strategy has been adopted to make available the services of experts to present technical papers on selected sectors in order to facilitate the discussions during the Consultations and provide expert advice to the participants in selected areas of their interest.

12. Also, during the Consultation meetings the schedule has been rearranged to provide time for potential partners from both developed and developing countries to meet and discuss opportunities for cooperation. These initiatives have facilitated the identification of technical cooperation and investment projects.

13. In several instances the Chairman of the Consultation was involved in the preparatory meetings, as for example in the Consultation on the Capital Goods Industry with emphasis on Machine Tools held at Prague, Czechoslovakia, from 16 to 20 September 1991. The Secretariat would like to apply that practice in general, but since the Chairman is from the host country, it would have to know well in advance which would be the host country for the Consultation. A likely solution would be for the Board to suggest possible host countries along with the approval of the topics for Consultations.

14. Other recommendations or comments of a more organizational and administrative nature, given by the evaluation report, have been considered or even implemented. The comments made in the evaluation report on the constraints placed on the System of Consultations by the need for consensus in adoption of the report, as indicated in rule 48 of the rules of procedure of the System (PI/84), are fully shared.

15. As recommended by the evaluation, a plan for technical cooperation follow-up activities has been prepared by the Advisory Committees for the Consultations held in 1989, 1990 and 1991. These plans of follow-up activities, which are found in documents IDB.6/12, IDB.8/21 and IDB.9/2, have contained an indication of the lead unit responsible in the UNIDO Secretariat for the follow-up action. The plans of action have resulted in a number of technical cooperation programmes and projects as well as investment proposals being identified for further action. The plans of action are prepared following each Consultation and are also sent to UNIDO Country Directors to facilitate implementation at the national level. The international organizations most concerned with the implementation of the recommendations are also indicated in the plans of action. These have included the Food and Agriculture Organization of the United Nations and the International Labour Organisation as well as the United Nations Centre for Human Settlements (Habitat) which jointly sponsored the Consultation on building materials. The International Trade Centre UNCTAD/GATT has largely taken into consideration in its work programme the recommendations of the most recent Consultations.

16. The selection of topics for Consultations has been carried out in accordance with the recommendations of the evaluation of the System of Consultations. As requested in resolution GC.3/Res.2, paragraphs 3 and 4, for the 1992-1993 biennium the selection process has been undertaken on the basis of consultations between the Secretariat and Member States at the beginning of the preceding biennium. The main criteria as called for in the above resolution are the priorities of developing countries in the overall framework of the medium-term plan. During the preparation of the 1992-1993 programme there was considerable in-house discussion of the topics as well as of the most efficient manner for carrying out the proposed Consultations. For example, it was decided that the Regional Consultation on restructuring of the capital goods industry in Latin America and the Caribbean should be conducted in conjunction with the regional project on the capital goods industry for Latin America and the Caribbean. In selecting topics for the 1994-1995 biennium, greater emphasis has been placed on the convening of regional Consultations which could lead to increased opportunities for economic and technical cooperation among countries at the regional level. Moreover, close coordination has taken place with regional groups in order to select topics that are most relevant to the needs of the regions concerned. In addition, there has also been enhanced cooperation throughout the Secretariat in identifying subjects for Consultations, particularly relating to the priorities in the UNIDO programme of technical cooperation.

17. The evaluation of the System of Consultations has had a positive impact on the work of the System. Implementation of the recommendations of the evaluation has led to greater efficiency, increased in-house cooperation and more systematic follow-up. The evaluation recognized the suitability of the System of Consultations for making a major contribution to the development and formulation of UNIDO policies and programmes, in particular certain sectors of industry. That contribution has been enhanced through the implementation of the recommendations of the evaluation.

II. ANALYSIS OF THE POSSIBILITY OF COMBINING CONSULTATIONS WITH INVESTMENT PROMOTION MEETINGS AND THE MODALITIES OF INCREASING INDUSTRIAL PARTNERS IN CONSULTATIONS

18. The idea of increased cooperation between the activities of the System of Consultations and the investment promotion programme is welcomed. Work has been initiated to examine the practical modalities of closer interaction through various mechanisms. Since issues of Consultations do not automatically lead to investments in new plants, and since the goals of participants at Consultations are somewhat different from those of investment forums, further examination will be undertaken to identify sectors that would be most appropriate for closer cooperation or even for combining both types of meetings. As a first step the Directors of both Divisions are becoming more involved with the work of the respective Divisions. Thus the Director of the Industrial Investment Division has participated in the Second Consultation on Building Materials Industry in Athens and the Director of the System of Consultations Division is to participate in the forthcoming investment promotion meetings. Practical modalities for joint efforts will be formulated in the future as a follow-up to these exercises. As another example of this cooperation, the agenda of the forthcoming Regional Consultation on the petrochemical industry in the Arab countries includes the activities of investment promotion as an integrated component.

19. The Secretariat welcomes the suggestion of increasing the participation of industrial partners in Consultations and has been elaborating on the most efficient ways and means to ensure the achievement of that objective.

20. With that in mind, the Secretariat has been incorporating in the aide-mémoire that are attached to the invitations to the Consultations clearly defined profiles of potential participants for achieving the right composition of experts with experience in the given sector. While, in accordance with rule 23 of the rules of procedure of the System of Consultations (PI/84), it is at the discretion of the Member States to decide on the composition of the list of participants to a Consultation, nevertheless, it is in the mutual interest of Member States and UNIDO to ensure that participants with the desired profiles attend, to enable them to make substantive contributions and derive tangible benefits from those meetings. Member States should thus be encouraged to support the Secretariat's efforts by identifying participants with the required profile.

21. Another measure to promote participation of industry at Consultations has been to reduce the duration of the meetings to 3 to 4 days and to scale down procedural matters.

III. ACTION REQUIRED OF THE BOARD

22. The Board may wish to take note of the present report and provide further guidance on measures to enhance the System of Consultations.

23. Concerning possible measures to encourage the participation of businessmen at Consultations in their own capacity, the Board may wish to urge Member States to ensure that participants in Consultations meet the clearly defined profiles indicated in the aide-mémoire attached to the invitations.